



SANFORD

24 February 2023

## Sanford continues to see strong price recovery first quarter of FY23

New Zealand seafood company Sanford Limited (NZX:SAN) has released a first quarter update for FY23 (Q1 2023) with a notable strengthening of pricing in all divisions. Sales volumes are down on the same quarter last year due to timing and availability of some catch, several one-off events in FY22 and the timing effect of Sanford's marine extracts plant start up. Sanford is confident it will achieve expected sales volumes over the full year, subject to catch and harvest meeting expectations.

Other notable results include:

- **Wildcatch:** pricing up 3.5% on Q1 2022. Sales volumes are however, down by 2.3k GWT (Greenweight Tonne) for the quarter, a 16% reduction on the prior comparable period (pcp) in 2022, which at this early stage of the year is mostly a timing difference.
- **Greenshell Mussels:** pricing in this division now exceeds pre-Covid levels, up 46% on pcp pricing, which was impacted by the lag effect of historic low-priced contracts. Q1 2023 saw a favourable mix of product with an increased percentage of half shell volume sales and less low-priced meat products. However, sales volumes were down 27% versus pcp being impacted by high Q4 2022 sales volumes and the need to rebuild inventories. Labour constraints and adverse weather conditions continue to impact the ability to process and supply. Demand outlook continues to be positive.
- **Salmon:** pricing is strong in this division, achieving the best prices in any quarter for the last five years and up 28% on pcp in addition to a favourable sales mix. Sales volumes are down on pcp, which included a significant amount of clearance of frozen inventory, bringing this quarter's sales volumes in line with Sanford's expectations. Apart from the anomaly in Q1 last year, volumes are in line with historical quarterly levels.

CEO Peter Reidie says "we are pleased to see the increase in pricing in all divisions, as we move further away from the impacts of Covid-19. We are still in recovery mode and the strong prices are in part offset by increased costs for fuel, freight, salmon feed and labour.

"Salmon was the stand-out division in this quarter with strong pricing and this area of the business is performing very well overall. The reputation of our Big Glory Bay salmon continues to grow, and demand is increasing from the USA. In the first quarter, BGB products represented 57% of sales compared to 34% in Q1 2022.

"We continue to keep a close eye on the health of our salmon, particularly in the warmer summer months, although at this time, we see no need for concern about heat-related mortalities."

Mr Reidie says that wildcatch volume performance has been impacted by a shift in sales volume out of Q1 2023 into Q2, particularly with high value scampi. "Our recent catch performance with toothfish in the Ross Sea has been above expectations, although squid volumes are soft relative to the last three years. Given the pricing effect demonstrated and our outlook on sales volumes we are confident we remain on track with our post-Covid recovery.

"We also continue to address our labour issues at home as best we can, which have particularly impacted our mussel division. Our North Island based mussel processing, carried out by NIML (North Island Mussels Limited, in which we own a 50% stake), now has access to workers from the Solomon

Islands. In the South Island, we are continuing our focus on recruitment for our Havelock plant, but we remain challenged with labour availability there.”

Mr Reidie says the impacts from the recent severe weather events are expected to be manageable although there will be some disruption around mussel harvesting and processing in Coromandel.

“We were extremely pleased that our people came through the floods and cyclones safely, thanks to the focus of our operational teams and leaders.”

Sanford’s half year results will be announced in late May.

**\*\*\*ENDS\*\*\***

**See the following pages for graphs containing divisional data**

For further information, please contact:

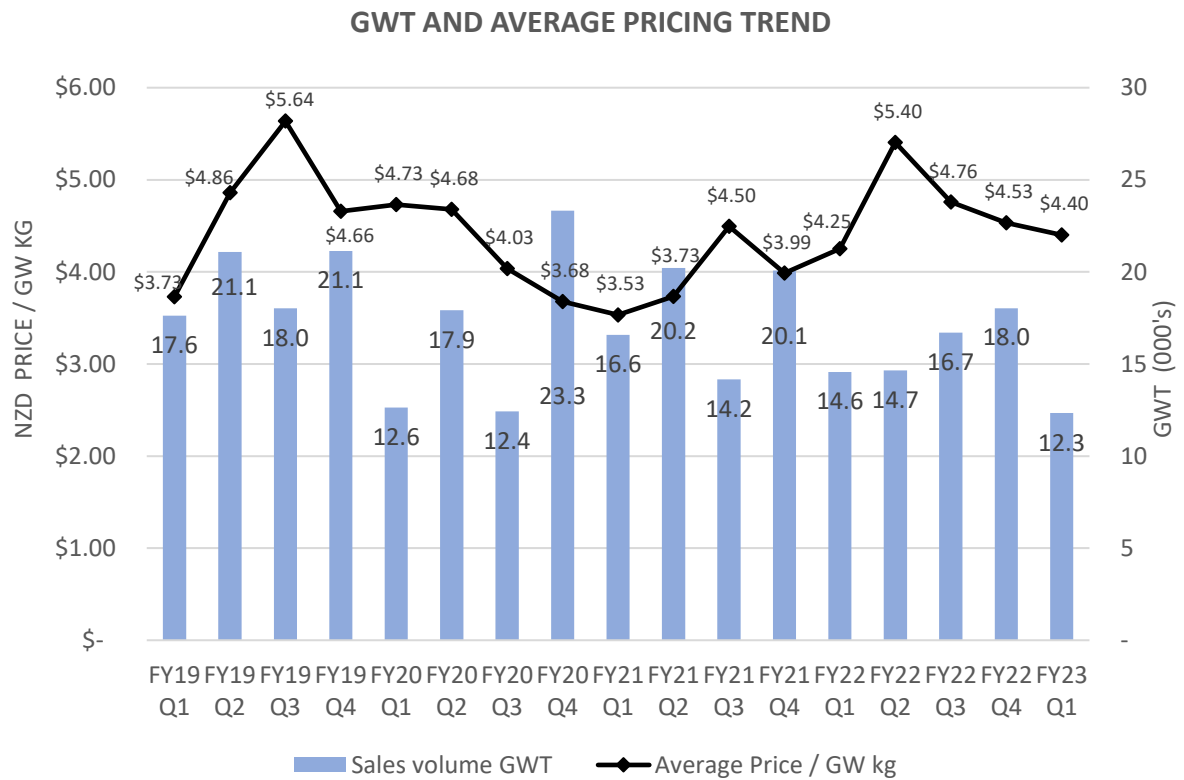
Fiona MacMillan

GM Corporate Communications

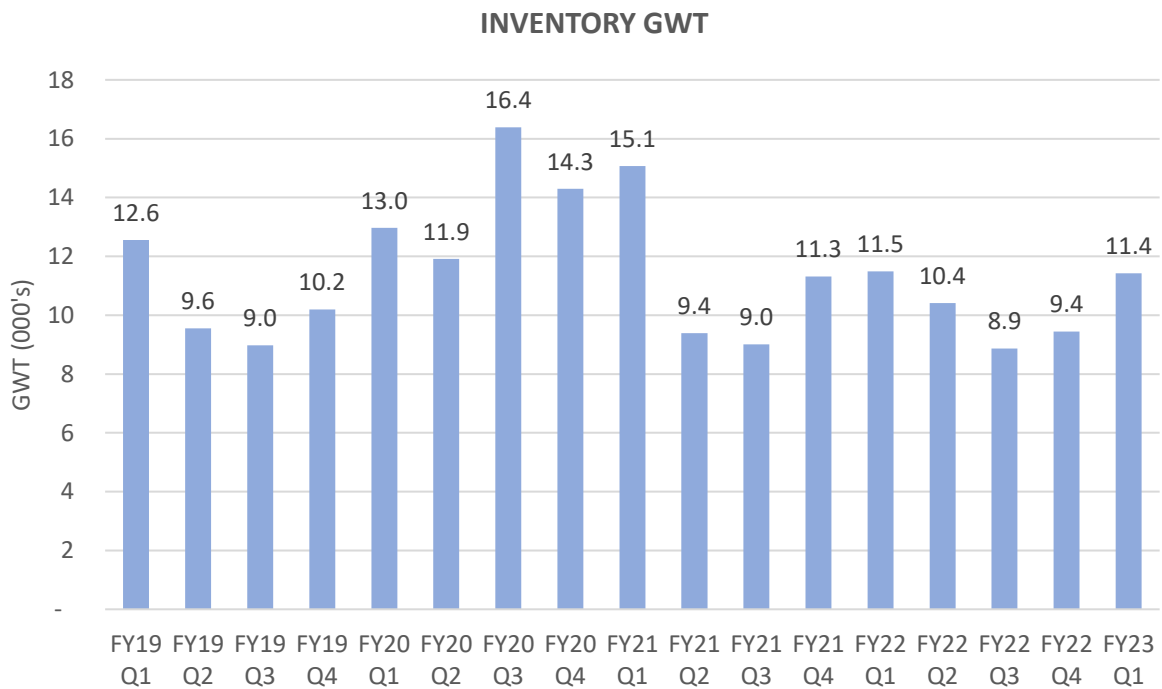
+64 (0)21 513 522

[fmacmillan@sanford.co.nz](mailto:fmacmillan@sanford.co.nz)

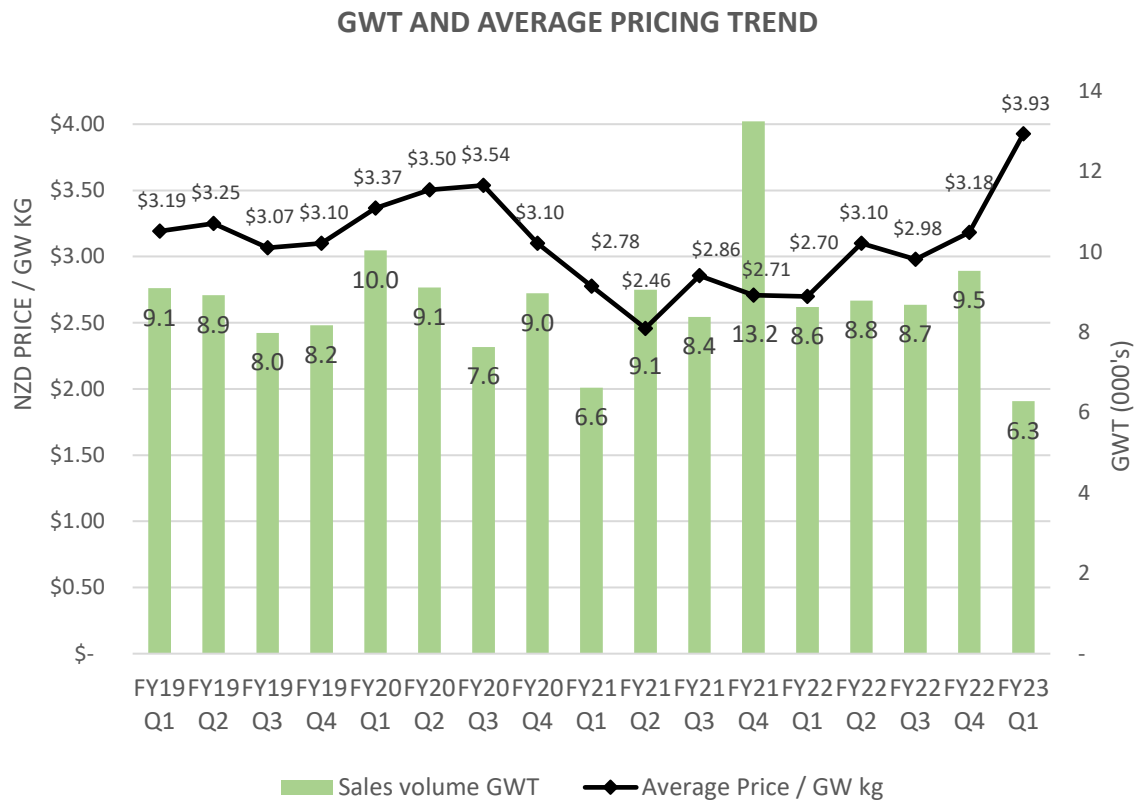
**Wildcatch division: quarterly data – sales volume and pricing**



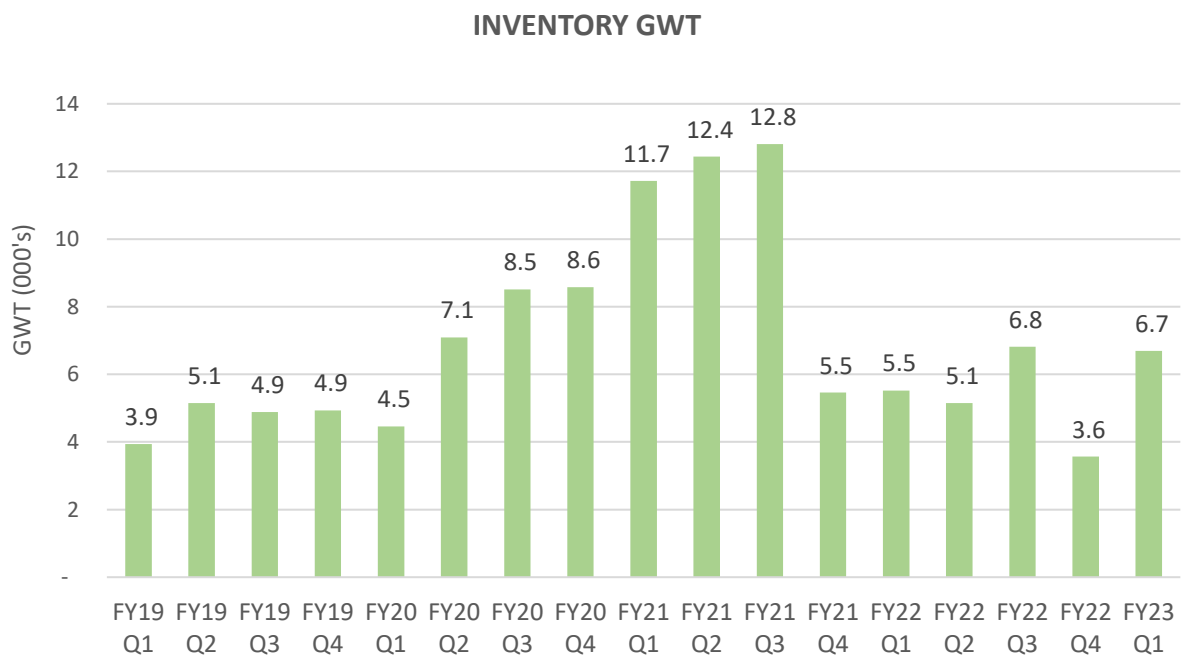
**Wildcatch division: quarterly data – inventory**



**Mussels division: quarterly data – sales volume and pricing**

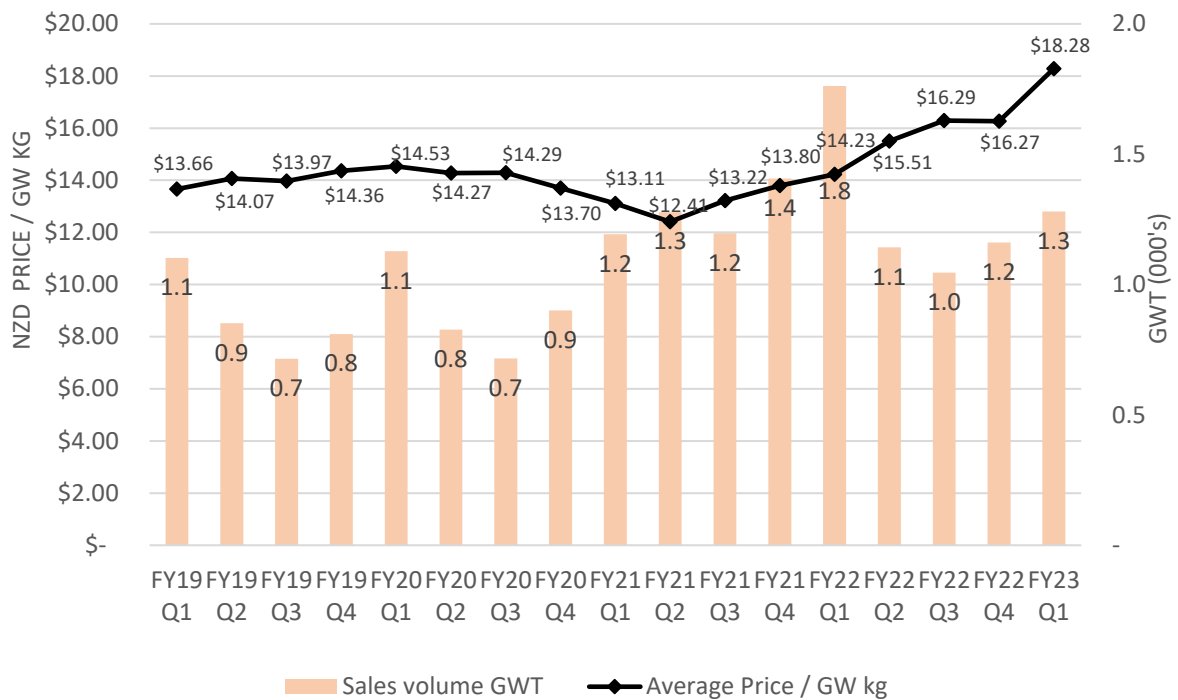


**Mussels division: quarterly data – inventory**



**Salmon division: quarterly data – sales volume and pricing**

**GWT AND AVERAGE PRICING TREND**



**Salmon division: quarterly data – inventory**

**INVENTORY GWT**

